

For Six Month Period Ending 12/31/2009  
(Insert date)

**I - REGISTRANT**

1. (a) Name of Registrant (b) Registration No.  
Prairie Avenue Advisors, LLC 5940

(c) Business Address(es) of Registrant  
430 N. Michigan Ave., Suite 200, Chicago, IL 60611

2. Has there been a change in the information previously furnished in connection with the following:

- (a) If an individual:
- |                           |                              |  |
|---------------------------|------------------------------|--|
| (1) Residence address(es) | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| (2) Citizenship           | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| (3) Occupation            | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
- (b) If an organization:
- |                          |                              |                             |
|--------------------------|------------------------------|-----------------------------|
| (1) Name                 | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (2) Ownership or control | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (3) Branch offices       | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
- (c) Explain fully all changes, if any, indicated in items (a) and (b) above.  
None.

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IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4 AND 5(a).

3. If you have previously filed Exhibit C<sup>1</sup>, state whether any changes therein have occurred during this 6 month reporting period.

Yes ☐ No ☒

If yes, have you filed an amendment to the Exhibit C? Yes ☐ No ☐

If no, please attach the required amendment.

Please see attached Exhibit C.

4. (a) Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name	Position	Date connection ended
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- (b) Have any persons become partners, officers, directors or similar officials during this 6 month reporting period?

Yes ☐ No ☒

If yes, furnish the following information:

Name	Residence address	Citizenship	Position	Date assumed
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5. (a) Has any person named in item 4(b) rendered services directly in furtherance of the interests of any foreign principal?

Yes ☐ No ☒

If yes, identify each such person and describe his service.

- (b) Have any employees or individuals, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name	Position or connection	Date terminated
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- (c) During this 6 month reporting period, has the registrant hired as employees or in any other capacity, any persons who rendered or will render services to the registrant directly in furtherance of the interests of any foreign principal(s) in other than a clerical or secretarial, or in a related or similar capacity? Yes ☐ No ☒

If yes, furnish the following information:

Name	Residence address	Citizenship	Position	Date assumed
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6. Have short form registration statements been filed by all of the persons named in Items 5(a) and 5(c) of the supplemental statement?

Yes ☐ No ☒ Not Applicable.

If no, list names of persons who have not filed the required statement.

## II - FOREIGN PRINCIPAL

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7. Has your connection with any foreign principal ended during this 6 month reporting period?

Yes ☐ No ☒

If yes, furnish the following information:

Name of foreign principal

Date of termination

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8. Have you acquired any new foreign principal<sup>2</sup> during this 6 month reporting period?

Yes ☐ No ☒

If yes, furnish the following information:

Name and address of foreign principal

Date acquired

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9. In addition to those named in Items 7 and 8, if any, list foreign principals<sup>2</sup> whom you continued to represent during the 6 month reporting period.

Republic of Serbia (retained by foreign principal's agent, Advanced Practical Solutions, LLC, to provide it with advice and other assistance.)

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### 10. EXHIBITS A AND B

(a) Have you filed for each of the newly acquired foreign principals in Item 8 the following: Not applicable.

Exhibit A <sup>3</sup>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Exhibit B <sup>4</sup>	Yes <input type="checkbox"/>	No <input type="checkbox"/>

If no, please attach the required exhibit.

(b) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during the 6 month period?

Yes ☐ No ☒

If yes, have you filed an amendment to these exhibits? Yes ☐ No ☐

If no, please attach the required amendment.

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<sup>2</sup> The term "foreign principal" includes, in addition to those defined in Section 1(b) of the Act, an individual organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a) (9).) A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

<sup>3</sup> The Exhibit A, which is filed on Form NSD-3 (Formerly CRM-157), sets forth the information required to be disclosed concerning each foreign principal.

<sup>4</sup> The Exhibit B, which is filed on Form NSD-4 (Formerly CRM-155), sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

### III - ACTIVITIES

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11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 7, 8, and 9 of this statement? Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail your activities and services:

Republic of Serbia (retained by foreign principal's agent, Advanced Practical Solutions, LLC, to provide it with advice and other assistance.)

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12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity<sup>5</sup> as defined below? Yes ☐ No ☒

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates and places of delivery, names of speakers and subject matter.

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13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits any or all of your foreign principals? Yes ☐ No ☒

If yes, describe fully.

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<sup>5</sup> The term "political activities" means any activity that the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

## IV - FINANCIAL INFORMATION

### 14. (a) RECEIPTS - MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 7, 8, or 9 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise? Yes ☒ No ☐

If no, explain why.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies<sup>6</sup>.

Date	From whom	Purpose	Amount
6/10/09	Republic of Serbia (through Applied Practical Solutions, LLC)	Advice/Counsel	\$10,000.00
7/3/09	" "	" "	\$7,500.00
8/15/09	" "	" "	\$15,000.00
10/1/09	" "	" "	\$25,000.00
11/10/09	" "	" "	\$25,000.00
12/10/09	" "	" "	\$25,000.00
			<u>\$107,500.00</u>
			Total

### (b) RECEIPTS - FUND RAISING CAMPAIGN

During this 6 month reporting period, have you received, as part of a fund raising campaign<sup>7</sup>, any money on behalf of any foreign principal named in items 7, 8, or 9 of this statement? Yes ☐ No ☒

If yes, have you filed an Exhibit D<sup>8</sup> to your registration? Yes ☐ No ☐

If yes, indicate the date the Exhibit D was filed. Date \_\_\_\_\_

### (c) RECEIPTS - THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value<sup>9</sup> other than money from any foreign principal named in Items 7, 8, or 9 of this statement, or from any other source, for or in the interests of any such foreign principal?

Yes ☐ No ☒

If yes, furnish the following information:

Name of foreign principal	Date received	Description of thing of value	Purpose
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<sup>6, 7</sup> A registrant is required to file an Exhibit D if he collects or receives contributions, loans, money, or other things of value for a foreign principal, as part of a fund raising campaign. (See Rule 201(c).)

<sup>8</sup> An Exhibit D, for which no printed form is provided, sets forth an account of money collected or received as a result of a fund raising campaign and transmitted for a foreign principal.

<sup>9</sup> Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

15. (a) **DISBURSEMENTS – MONIES**

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 7, 8, or 9 of this statement? Yes ☐ No ☒(2) transmitted monies to any such foreign principal? Yes ☐ No ☒

If no, explain in full detail why there were no disbursements made on behalf of any foreign principal.

No disbursements were made because the nature of the engagement is solely for advice and counsel.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	To whom	Purpose	Amount
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 Total

**(b) DISBURSEMENTS – THINGS OF VALUE**

During this 6 month reporting period, have you disposed of anything of value<sup>10</sup> other than money in furtherance of or in connection with activities on behalf of any foreign principal named in Items 7, 8, or 9 of this statement?

Yes ☐ No ☒

If yes, furnish the following information:

Date disposed	Name of person to whom given	On behalf of what foreign principal	Description of thing of value	Purpose
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**(c) DISBURSEMENTS – POLITICAL CONTRIBUTIONS**

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value<sup>11</sup> in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office?

Yes ☒ No ☐

If yes, furnish the following information:

Date	Amount or thing of value	Name of political organization	Name of candidate
11/19/09	\$100.00	Friends of Carol Sente	Carol Sente
11/20/09	\$250.00	Citizens for Bridget Gainer	Bridget Gainer
10/22/09	\$250.00	Friends of Michael Alvarez	Michael Alvarez
12/09/09	\$250.00	Taxpayers for Houlihan	Brendan Houlihan

<sup>10, 11</sup> Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks" and the like.

## V - INFORMATIONAL MATERIALS

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any informational materials<sup>12</sup>?

Yes ☒ No ☐

IF YES, RESPOND TO THE REMAINING ITEMS IN SECTION V.

17. Identify each such foreign principal.

Republic of Serbia (through foreign principal's agent, Advanced Practical Solutions, LLC)

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating informational materials? Yes ☐ No ☒

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of informational materials include the use of any of the following:

- |   |   |   |   |
|---|---|---|---|
| <input type="checkbox"/> Radio or TV broadcasts | <input type="checkbox"/> Magazine or newspaper articles | <input type="checkbox"/> Motion picture films                       | <input type="checkbox"/> Letters or telegrams |
| <input type="checkbox"/> Advertising campaigns  | <input type="checkbox"/> Press releases                 | <input checked="" type="checkbox"/> Pamphlets or other publications | <input type="checkbox"/> Lectures or speeches |
| <input type="checkbox"/> Internet               | <input type="checkbox"/> Other (specify) _____          | White Papers  |   |

20. During this 6 month reporting period, did you disseminate or cause to be disseminated informational materials among any of the following groups:

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Public officials       | <input type="checkbox"/> Newspapers                   | <input type="checkbox"/> Libraries                |
| <input checked="" type="checkbox"/> Legislators | <input type="checkbox"/> Editors                      | <input type="checkbox"/> Educational institutions |
| <input type="checkbox"/> Government agencies    | <input type="checkbox"/> Civic groups or associations | <input type="checkbox"/> Nationality groups       |
| <input type="checkbox"/> Other (specify) _____  |   |   |

21. What language was used in the informational materials:

- ☒ English ☐ Other (specify) \_\_\_\_\_

22. Did you file with the Registration Unit, U.S. Department of Justice a copy of each item of such informational materials disseminated or caused to be disseminated during this 6 month reporting period? Yes ☐ No ☒

23. Did you label each item of such informational materials with the statement required by Section 4(b) of the Act?

Yes ☐ No ☒

12 The term informational materials includes any oral, visual, graphic, written, or pictorial information or matter of any kind, including that published by means of advertising, books, periodicals, newspapers, lectures, broadcasts, motion pictures, or any means or instrumentality of interstate or foreign commerce or otherwise. Informational materials disseminated by an agent of a foreign principal as part of an activity in itself exempt from registration, or an activity which by itself would not require registration, need not be filed pursuant to Section 4(b) of the Act.



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**VI – EXECUTION**

In accordance with 28 U.S.C. §1746, the undersigned swear(s) or affirm(s) under penalty of perjury that he/she has (they have) read the information set forth in this registration statement and the attached exhibits and that he/she is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his/her (their) knowledge and belief, except that the undersigned make(s) no representation as to the truth or accuracy of the information contained in the attached Short Form Registration Statement(s), if any, insofar as such information is not within his/her (their) personal knowledge.

(Date of signature )

(Type or print name under each signature<sup>13</sup>)12-15-09  
Mark Doyle

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<sup>13</sup> This statement shall be signed by the individual agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions, if the registrant is an organization, except that the organization can, by power of attorney, authorize one or more individuals to execute this statement on its behalf.

UNITED STATES DEPARTMENT OF JUSTICE  
FARA REGISTRATION UNIT  
NATIONAL SECURITY DIVISION  
WASHINGTON, D.C. 20530

**NOTICE**

Please answer the following questions and return this sheet in triplicate with your Supplemental Statement:

1. Is your answer to Item 16 of Section V (Informational Materials – page 8 of Form CRM-154, formerly Form OBD-64-Supplemental Statement):

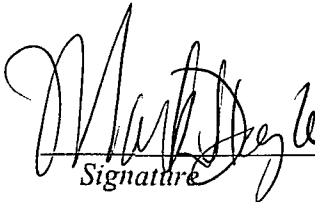
YES \_\_\_\_\_ or NO \_\_\_\_\_

(If your answer to question 1 is "yes" do not answer question 2 of this form.)

2. Do you disseminate any material in connection with your registration:

YES ✓ \_\_\_\_\_ or NO \_\_\_\_\_

(If your answer to question 2 is "yes" please forward for our review copies of all material including: films, film catalogs, posters, brochures, press releases, etc. which you have disseminated during the past six months.)

  
Signature

12-15-09

Date

MARK J DOYLE

Please type or print name of  
Signatory on the line above

Consultant

Title

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**U.S. Department of Justice**

**National Security Division**

*Washington, DC 20530*

THIS FORM IS TO BE AN OFFICIAL ATTACHMENT TO YOUR CURRENT SUPPLEMENTAL  
STATEMENT - PLEASE EXECUTE IN TRIPLICATE

SHORT-FORM REGISTRATION INFORMATION SHEET

SECTION A

The Department records list active short-form registration statements for the following persons of your organization filed on the date indicated by each name. If a person is not still functioning in the same capacity directly on behalf of the foreign principal, please show the date of termination.

**Short Form List for Registrant: Prairie Avenue Advisers, LLC**

Last Name	First Name and Other Names	Registration Date	Termination Date	Role
Doyle	Mark Joseph	05/29/2009		

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U.S. Department of Justice

National Security Division

Washington, DC 20530

SECTION B

In addition to those persons listed in Section A, list below all current employees rendering services directly on behalf of the foreign principals(s) who have not filed short-form registration statements. (Do not list clerks, secretaries, typists or employees in a similar or related capacity). If there is some question as to whether an employee has an obligation to file a short-form, please address a letter to the Registration Unit describing the activities and connection with the foreign principal.

Name	Function	Date Hired
<i>NP</i>		

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

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## Serbia - US Bilateral Relations

Relations between the United States of America and Serbia (established in 1881 while the Consulate-General in New York was opened in 1879) have been traditionally friendly and comprehensive with the exception of the past decade. This was reflected, inter alias, in the US support to the creation of the first South Slav common state in 1918 (support of the right of peoples to self-determination), the alliance in two world wars, developed political contacts and sizable economic assistance provided by the US to Yugoslavia after the Second World War.

Ever since the democratic changes in Serbia in October 2000, the United States of America has gradually lifted all previously imposed sanctions except on the owners of bank accounts and financial transactions of Slobodan Milosevic's closest associates. The most important act in the process of normalization of relations was the decision of President Bush of 29 May 2003 to cancel the extraordinary measures introduced on 30 May 1992 and 9 June 1998 which established a special oversight regime on this country. The United States assistance since 5 October 2000 has been of crucial importance in the normalization and stabilization of the political and economic situation in Serbia while, in view of its political weight and influence, the support of the United States for Serbia's gradual inclusion into international regional organizations was also of essential importance.

The US has been of important support the Serbia's EU integrations as well as to normalization of relations with the Western countries.

For the first time since the establishment of the diplomatic relations with the United States, the so-called Serbian Congressional Caucus was established in the House of Representatives in August 2004. The formal initiative for its establishment was launched by Representatives Rahm Emanuel (D-IL) and Dan Burton (R-IN) who were also the first Co-Chairs of the Caucus. The Caucus scored its first success by preventing a resolution on the independence of Kosovo and Metohija from being adopted in the House of Representatives Committee on International Relations on 7 October 2004. The Embassy of Serbia also launched an initiative to establish a "Serbian Caucus" in the Senate as well. Senators Voinovich (R-OH), Vitter (R-LA) and Inhofe (R-OK) joined the Serbian Congressional Caucus in June 2005, making it thus bi-cameral. One of the purposes of this Caucus is to have a certain group of Congressional legislators who will be active in keeping Serbian issues at the forefront by educating members of Congress on problems affecting the political, economic, and security climate of Serbs in Serbia and elsewhere in the Balkans.

In this Session of Congress, the Serbian Congressional Caucus is chaired by Representatives Melissa Bean (D-IL) and Dan Burton (R-IN). It has 29 nine members.

Though Serbia and the U.S. may disagree on the specific question of Kosovo's unilateral declaration of independence, with the support from Congress by means of the bi-partisan Serbian Congressional Caucus, Serbia and the US have a great deal in common that should not be overshadowed by the Kosovo issue.

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In his 2004 address to the Democratic National Convention, then-Sen. Barack Obama (D-Ill.) said that America should not divide itself along political lines, red states and blue states. Similarly it is believed in Serbia that countries must act together within the framework of a worldwide community of nations, not define themselves as Eastern states or Western states.

## Economic Cooperation

The trade exchange between the Republic of Serbia and the United States is constantly on the rise. In 2004, it amounted to about US\$450 million, with Serbia and Montenegro's export to the United States standing at US\$42.054 million and import from the United States at US\$424.763 million. In 2005, Serbia and Montenegro's export amounted to US\$59.218 million and its import to US\$379.318 million. By the volume of the trade exchange, the United States was the ninth trade partner of the Republic of Serbia in 2005. The United States included Serbia into the list of the Generalized System of Preferences (GSP), which is particularly appreciated by Serbia in view of the fact that it enables tariff-free export of over 4 600 products from Serbia to the United States.

A Conference on trade and United States investment in Serbia was held in November 2005. Along with the increase of trade exchange, the Conference provided a new impetus to the development of bilateral economic cooperation.

## United States Assistance for Serbia in 2008

As it has been the case in the past, the United States assistance for Serbia amounts to around \$ 150 million. The need for the certification of Serbia's compliance with its obligations after 31 May 2006 has been retained. In other words, Serbia may count on US\$150 million and United States support in international financial institutions if the United States Secretary of State "certifies" on behalf of the President of the United States that Serbia fully cooperates with the Hague Tribunal. However, in addition to the obligation to enable access by the Tribunal investigators to relevant documents and witnesses during investigations, surrender and transfer of Ratko Mladic and other indictees and/or the provision of assistance in his arrest. It is explicitly said that the United States Secretary of State must confirm to the Appropriations Committees of both Houses of Congress that this individual no longer stays in Serbia.

The old provision of the need for certification that Serbia takes steps in accordance with the Dayton Agreement and that it has ceased financial, political, security and other assistance to separate institutions of the Republic of Srpska has been reiterated. Likewise, the certification of Serbia's active strengthening of the policy of minority rights and the rule of law is necessary.



EMBASSY OF THE REPUBLIC OF SERBIA

2134 Kalorama Road NW; WASHINGTON, DC 20008

Phone: (202) 332-0333 Fax: (202) 332-3933

<http://www.serbiaembusa.org>

E-mail: [info@serbiaembusa.org](mailto:info@serbiaembusa.org)

Honorable Richard Durbin  
US Senate

November 12th, 2009

Dear Senator Durbin,

It is my distinguished honor and pleasure to kindly request you to take membership in the Serbian-American Congressional Caucus. In August 2004, for the first time since the establishment of the diplomatic relations between the United States and the Republic of Serbia almost 130 years ago, the Serbian-American Congressional Caucus was formed in the House of Representatives. The formal initiative for its establishment was launched by Representatives Rahm Emanuel (D-IL) and Dan Burton (R-IN) who were also the first Co-Chairs of the Caucus. In 2005, the Embassy of the Republic of Serbia also launched an initiative to establish a "Serbian Caucus" in the Senate as well. Senators G. Voinovich, D. Vitter and J. Inhofe joined the Serbian-American Congressional Caucus in June 2005, thus making it bi-cameral. In this Session of Congress, the Serbian Congressional Caucus is chaired by Representatives Melissa Bean of Illinois and Dan Burton of Indiana. It currently has twenty nine members, five of them representing the State of Illinois.

One of the purposes of this Caucus is to have a group of Congressional legislators who will be active in keeping Serbian issues at the forefront by educating members of Congress on problems affecting the political, economic, and security climate in Serbia and elsewhere in the Balkans as well to support and promote common interests and issues of the Serbian diaspora in the United States. It is estimated that the State of Illinois has more than 700 000 Serbian-Americans living there, many of them 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> generations. It is my opinion and hope that your membership in this Caucus would have a substantial impact on raising awareness of the US Congress about the Serbian-American community in the United States and also improving the bilateral relations between our two respective countries.

Since the visit of Vice-President J. Biden to Serbia in May of this year, our bilateral relations have considerably improved and we are having more and more significant interaction between our officials and government institutions. I am confident that your participation in the Serbian-American Caucus will affirm these positive trends and facilitate even more the cooperation and political dialogue of our countries.

I stand at your disposal to personally brief you and give you any additional information regarding this and other issues concerning our bilateral relations and the political situation in the Balkans.

Thank you for your consideration to this matter and please accept the assurances of my highest consideration.

Respectfully yours,

Vladimir Petrovic  
Ambassador



<b>Member</b>	<b>Serb LA</b>	<b>Phone Number</b>	<b>Email</b>
Sen. George Voinovich	Joseph Lai	225-3353	<a href="mailto:Joseph_Lai@Voinovich.senate.gov">Joseph_Lai@Voinovich.senate.gov</a>
Sen. Inhofe	Anthony Lazarski	225-4721	<a href="mailto:Anthony_Lazarski@inhofe.senate.gov">Anthony_Lazarski@inhofe.senate.gov</a>
Sen. Vitter	Michael Wong	225-4623	<a href="mailto:Michael_Wong@vitter.senate.gov">Michael_Wong@vitter.senate.gov</a>
Ben Chandler	Jennifer Prather	225-4706	<a href="mailto:Jennifer.Prather@mail.house.gov">Jennifer.Prather@mail.house.gov</a>
Brad Sherman	Don MacDonald	225-5911	<a href="mailto:Don.MacDonald@mail.house.gov">Don.MacDonald@mail.house.gov</a>
Howard Berman	Doug Campbell	225-4695	<a href="mailto:Doug.Campbell@mail.house.gov">Doug.Campbell@mail.house.gov</a>
Diane Watson	Abdul Henderson	225-7084	<a href="mailto:Abdul.Henderson@mail.house.gov">Abdul.Henderson@mail.house.gov</a>
Melissa Bean	Elizabeth Jurinka	225-3711	<a href="mailto:Elizabeth.Jurinka@mail.house.gov">Elizabeth.Jurinka@mail.house.gov</a>
Zoe Lofgren	Ryan Clough	225-3072	<a href="mailto:Ryan.Clough@mail.house.gov">Ryan.Clough@mail.house.gov</a>
Robert Wexler	Jesper Pedersen	225-3001	<a href="mailto:Jesper.Pedersen@mail.house.gov">Jesper.Pedersen@mail.house.gov</a>
Dan Lipinski	Brian Oszakiewski	225-5701	<a href="mailto:Brian.Oszakiewski@mail.house.gov">Brian.Oszakiewski@mail.house.gov</a>
Peter Visclosky	Seren Orgel	225-2461	<a href="mailto:Seren.Orgel@mail.house.gov">Seren.Orgel@mail.house.gov</a>
Jan Schakowsky	Nina Besser	225-2111	<a href="mailto:Nina.Besser@mail.house.gov">Nina.Besser@mail.house.gov</a>
Dennis Kucinich	Tom Mulloy	225-5871	<a href="mailto:Thomas.Mulloy@mail.house.gov">Thomas.Mulloy@mail.house.gov</a>
Corrine Brown	Lydia Morgan	225-4101	<a href="mailto:Lydia.Morgan@mail.house.gov">Lydia.Morgan@mail.house.gov</a>
Chris Van Hollen	Ken Cummings	225-5341	<a href="mailto:Ken.Cummings@mail.house.gov">Ken.Cummings@mail.house.gov</a>
Tim Holden	Keith Pemrick	225-5546	<a href="mailto:Keith.Pemrick@mail.house.gov">Keith.Pemrick@mail.house.gov</a>
Zach Space	Elizabeth Kelsey	225-6265	<a href="mailto:Elizabeth.Kelsey@mail.house.gov">Elizabeth.Kelsey@mail.house.gov</a>
Dan Burton	Brian Fuls	225-2276	<a href="mailto:Brian.Fuls@mail.house.gov">Brian.Fuls@mail.house.gov</a>
Trent Franks	Tina Ramirez	225-4576	<a href="mailto:Tina.Ramirez@mail.house.gov">Tina.Ramirez@mail.house.gov</a>
Peter Roskam	Brigitta Johnson	225-4561	<a href="mailto:Brigitta.Johnson@mail.house.gov">Brigitta.Johnson@mail.house.gov</a>
Darrell Issa	Laurent Crenshaw	225-3906	<a href="mailto:Laurent.Crenshaw@mail.house.gov">Laurent.Crenshaw@mail.house.gov</a>
Joe Wilson	Paul Callahan	225-2452	<a href="mailto:Paul.Callahan@mail.house.gov">Paul.Callahan@mail.house.gov</a>
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Caucus Member?	Party	Senate
Yes	Rep	Senate
Yes	Rep	Senate
Yes	Rep	Senate
Yes	Dem	
Yes	Dem	
Yes	Dem	
Yes	Dem	
Yes	Dem	
Yes	Dem	
Yes	Dem	
Yes	Dem	
Yes	Dem	
Yes	Dem	
Yes	Dem	109th
Yes	Dem	109th
Yes	Dem	109th
Yes	Dem	109th
Yes	Dem	
Yes	Rep	
Yes	Rep	
Yes	Rep	
Yes	Rep	
Yes	Rep	
Yes	Rep	
Yes	Rep	109th
Yes	Rep	109th
Yes	Dem	
Yes	Dem	

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## History

Serbia has a turbulent history wrought with conflict and struggle for independence. The most recent example was the war-torn 1990's which saw the collapse of communist Yugoslavia and the emergence of its former republics as independent states. The conflicts ended in 1999 with NATO led air strikes which resulted in Serbia agreeing to the introduction of UN administration in Kosovo and Metohija province in accordance with the UN Security Council Resolution 1244.

October 2000 saw Serbia defeat Slobodan Milosevic's regime and establishment of a democratic government led by Prime Minister Zoran Djindjic that set a firm reformist course geared towards privatization and free market economy. Following a referendum held in Montenegro in 2006 (which signaled the dissolving of the State Union of Serbia and Montenegro) and the adoption of a new constitution in the same year, Serbia has re-established its status as an independent state. In 2008 Boris Tadic was re-elected President and his Democratic Party leads a coalition that formed the new government headed by Mirko Cvetkovic.

In February 2008 Kosovo unilaterally declared independence from Serbia, which Serbia vehemently opposes. The issue has been brought before the International Court of Justice in an effort to determine the legality of such an action.

The current government follows the path of economic and social reform centered on transition to free market economy and privatization of the public sector. Ascension to the European Union remains a top priority for Serbian administration. Efforts towards realizing this goal are made through adopting new legislation as well as through unilateral application of the Stabilization and Association Agreement (as of January 2009) signed with the EU.

## Geography and climate

The Republic of Serbia is located in South East Europe, central part of the Balkan Peninsula and covers 77,474 km<sup>2</sup> (excluding Kosovo and Metohija). It is situated at the intersection of Pan European Corridors Nr. 10 and Nr. 7 linking Europe and Asia. River Danube runs through Serbia (588 km). The climate is temperate continental, with gradual transition between the four seasons of the year, warm summers and snowy winters. The average annual temperature is around 12 oC. The temperatures in January and June average 0 oC and 22-23 oC respectively. The average annual precipitation ranges from 660 mm to 800 mm in the plains to between 800 mm and 1,200 mm in the mountains.

Major cities are, the capital Belgrade (population around 1.6 million), Novi Sad (popn. 300,000), Nis (popn. 250,000), Kragujevac (popn. 175,000).

## Government structure

The national legislature of Serbia is a unicameral assembly of 250 deputies chosen in direct general elections for a period of four years. The deputies in the National Parliament elect the Government of the Republic of Serbia, which, together with the President of the Republic, represents the country's executive authority. The judiciary is independent.

## Legal system - Legislative framework

Serbia has a civil law system, meaning the courts interpret legislation rather than being bound by preceding rulings on the issue.

The Parliament is the supreme legislator. Certain bodies with executive powers, such as the government and ministries, are competent to pass decrees and by-laws in specific areas. Decrees and by-laws must be in compliance with parliamentary legislation. Legislative acts, decrees and by-laws come into force after publication in the Official Gazette of Serbia.

## Courts

The organization of the court system in Serbia and jurisdiction of courts is regulated currently by the Law on Organization of Courts and the Law on Courts. However, as of 1 January 2010, the newly adopted Law on Organization of Courts shall come into force. The court system consists of

the Constitutional Court, courts of general jurisdiction and courts of special jurisdiction. According to the currently applied system the courts of general jurisdiction are the following: municipal courts, district courts and the Supreme Court. The courts of specific jurisdiction are the following: commercial courts and Higher Commercial Court. Although envisaged by the Law on Organization of Courts, appellate courts (which are in general to be second instance courts to district courts and in most cases to municipal courts), Misdemeanor courts, Higher Misdemeanor Court, and the Administrative Court (for adjudicating in administrative disputes), have still not been formed. In the meantime, in the absence of appellate courts, second instance court for district courts is the Supreme Court. As introduced by the new Law on Organization of Courts, it is expected that as of 1 January 2010, municipal courts shall be replaced by basic courts with similar competencies, as well as higher courts shall replace district courts. Since in certain cases it may take several years to receive a final judgment, many business entities opt for arbitration, providing for it in their contracts. There is a Foreign Trade Court of Arbitration at the Serbian Chamber of Commerce in Belgrade. It is international, general (all conflicts arising from international business relations are considered), open (domestic and foreign citizens are on its list), independent and autonomous. Its judgments are final. Specific rules of procedure can be agreed between the parties and specialist arbitrators can be chosen. The United Nations Commission on International Trade Law (UNCITRAL) book of rules may be applied.

#### People - Population

According to the recent data the population of Serbia (not including Kosovo and Metohija) is approximately 7.4 million, around 64% of which is of working age. Statistics show that Serbia has, on average, an old population (the average year of age being cca. 40.2 according to recent information) which has been identified as a leading concern and is attributed mainly to emigration. The country's population is mostly Serbian (82.86%) with the most significant ethnic minorities being Hungarian (3.9%), Bosnian (1.8%) and Roma (1.4%).

#### Language

Serbian is the only official language while members of ethnic minorities are entitled to use their own language. English is taught as a compulsory foreign language, while in many areas students choose an additional language from German, French or Russian.

#### Religion

Religion is practiced freely and Orthodox Christianity is the dominant confession (84.1%). Other prominent religions are Roman Catholic 6.24%, Islam 4.82% and Protestant 1.44%. Most Catholics reside in Vojvodina, Serbia's Northern Province, while Muslims are predominant in the region of Raska to the south of the country.

#### Education

Elementary and high school education in Serbia is free with eight years elementary schooling being compulsory. Around 78% of the population completes elementary schooling while 11% achieves higher education.

#### Living standards

The total percentage of the population living below the poverty line is 6.6%. The distribution of poverty is uneven with 4.3% living in urban zones and 9.8% in rural areas. Gross average income is also significantly higher in cities (Belgrade in particular) than in rural areas. According to the recent data average monthly gross salary in Serbia amounts to RSD 42 thousand, while in Belgrade amounts to RSD 54 thousand.

#### Economy

##### General description

Serbia is considered an upper-middle income economy by the World Bank, with a GDP for 2008 estimated at \$80.717 billion (\$10,985 per capita PPP). Since the political reforms of 2000, the

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country has experienced fast economic growth and has been preparing for membership in the European Union.

#### Currency

Serbian official currency is Dinar (RSD). On 31 March 2009 the exchange rates were 1 EUR = 94.78 RSD and 1 USD = 71.59 RSD, according to the National Bank of Serbia (NBS).

#### Transport

In Serbia all means of transportation are present. The total length of roads is 42,692 km (asphalt) and 24,860 km (concrete). Railway network enables cost effective transportation thanks to good communication with all major European destinations through the Pan European Corridor X.

There are 3 major airports in Serbia: Belgrade Nikola Tesla Airport, Nis Airport and the Vrsac international airport. Serbian rivers belong to the basins of the Black, Adriatic and Aegean Seas. Three of them, the Danube, Sava and Tisa, are navigable.

The longest river is the Danube, which flows for 588 of its 2,857 kilometer course through Serbia. Serbia does not have access to sea.

#### Business climate

##### Aims of government policy

- Key goals and instruments of the economic policy are:
- Maintaining exchange rate stability and curbing domestic aggregate demand through restrictive monetary policy,
- Further reduction of public spending, freezing public sector wages through tight fiscal policy,
- Price stability,
- Stimulative subventions for the economy – approval of credits for investments in total of RSD 162 billion

Government of the Republic of Serbia approved in January 2009 a package of measures aimed at mitigating the effects of the global economic crisis on Serbia, maintaining the competitiveness of the economy, preserving jobs and stimulating domestic demand. The proposed measures include directly subsidizing interest rates on loans for liquidity, co-financing loans for investments with the guarantees from the Guarantee Fund and direct subsidies for interest rates on consumer loans for certain consumer goods from international sources. The Government has also adopted a strategy for the development of Serbian trade, strengthening competition of commercial companies in the local market with the aim to create modern market and trade system and accelerate Serbia's EU accession.

#### Economic development

Over the past five years of extensive political and economic reforms, Serbia has developed into a stable democratic country with a fast growing market economy. Western-oriented, democratic political parties have a strong majority among citizens and the Government is shaping an attractive environment for business activities, while legislative activities are intensely bringing the legal framework in line with the EU regulations.

As a member of the International Monetary Fund, Serbia exercises a sound and consistent economic policy resulting in a strong economic growth, state budget surplus, and rapid export expansion. The country's progress is fully supported by leading international development institutions, such as the World Bank and the European Bank for Reconstruction and Development, while the processes of the European Union and the World Trade Organization accession are under way.

## International agreements

### Current status:

- Serbia's application for the WTO accession accepted accession expected in mid 2009,
- The Stabilization and Association Agreement and Interim Trade Agreement with the EU signed in April 2008; membership candidacy planned for 2009; accession preparations to be over by 2012,
- Regional free trade agreement (CEFTA), ratified by Serbia in 2007, integrates the countries of the South East Europe, thus creating a possibility for companies to place their goods customs free to a market of close to 30 million people,
- Serbia is the only European country with free trade agreements with the EU, Russia and Belarus. Apart from its favorable economic agreements with both the East and West, such steps could be soon undertaken with Turkey and Iran,
- The trade with US is pursued under Generalized System of Preferences (GSP). The GSP program provides preferential duty-free entry for more than 4,650 products,
- Serbia is member of Black Sea Economic Cooperation (BSEC).

## Regulations for businesses

### Competition Law

Law on Competition was adopted in September 2005, replacing the existing 1996 Anti-Monopoly Law.

The Law applies to antitrust provisions, including restrictive agreements and abuses of dominant positions. The new Law now makes a differentiation between horizontal (agreement operating on the same production/supply level) and vertical agreements restricting competition, mergers and concentration among market participants. The Law, which is generally in compliance with EU requirements, covers any instrument, e.g. agreements, contracts, explicit or tacit agreements etc. Any such instrument designed to have or having the effect of preventing, restricting or distorting competition on the relevant market is null and void.

A participant has a dominant position in the relevant market if it has the power to behave independently of other undertakings, thus being in a position to make business decisions without taking into account the effect on competitors, purchasers or suppliers and/or final users of its goods and/or services.

A participant having a market share exceeding 40 percent may or may not be considered dominant, depending on the market share of competitors, barriers to entry and the economic strength of potential competitor(s), as well as the eventual dominant position of the buyer. A participant having a market share below 40 percent may also be considered to be dominant. The Law creates an independent competition body: the Commission for the Protection of Competition (the Commission). The Commission is organized as an independent body. The Commission is responsible to the Serbian Parliament.

### Consumer protection

The Law on Consumer Protection was adopted in September 2005.

Under the Law, the competent Authorities dealing with this area are the Serbian Ministry of Trade and Services (the Ministry) and the Council for Consumer Protection (the Council). The Council is created as an advisory body. The Law prescribes the fundamental rights and protection of the Consumer's economic interests. It regulates, inter alia, provisions on water and air quality, issuing of invoices, warranty clauses in commerce, consumer credits, packaging issues and time sharing. Protection of the Consumer is possible both in and out-of-courts. The Law also regulates operations of a consumer protection organization.

## Intellectual Property (IP) Rights

### Protection- Patents, Trademarks, Copyrights

All existing IP laws were enacted during the last decade and are generally in compliance with international standards. The main issues remain the implementation of the IP laws and a better trained and organised judicial system. The laws dedicated to the protection of IP rights are as follows:

- The Law on Copyright and related rights 2004
- The Law on Protection of Topographies of Integrated Circuits 2004
- The Law on Patents, adopted on 2 July 2004
- The Law on Trademarks, adopted on 22 December 2004
- The Law on legal protection of design 2004
- The Law on Geographical Indications 2006
- The Decree on keeping the records of work of authorship and subject of related rights 2005
- The Law on Special Powers for Efficient Intellectual Property Rights Protections 2006
- The most important IP conventions relating to IP protection are ratified by the Serbia i.e. Berne Conventions, Paris Conventions, European Patent Convention, Madrid and Nice Arrangements and others.
- The authority dealing with IP protection is the Intellectual

Property Office of Serbia.

## Foreign Investment

### Investment climate

Since January 2001, Serbia has shown a strong commitment to establishing a modern market economy and re-entering European and global markets. Substantial reforms have been initiated to that end, particularly in creating a business-friendly environment. These include legal and economic reforms in all areas, aimed at ensuring legal security and harmonization with EU legislation and economic policies. Within this process, foreign investments have been encouraged and restrictions are negligible. The institutions responsible for foreign investment regulations are the following:

- The Ministry of Economy and Regional Development
- The Ministry of Finance
- The Serbian Investment and Export Promotion Agency
- The Serbian Chamber of Commerce
- The Ministry of Foreign Affairs

The geographical position and the low cost of labor make Serbia a competitive environment for investment. With the development of a Balkan Free Trade Zone, this regional market will exceed 65 million people. In addition to intensifying trade, this integration may also contribute to political stabilisation in the region. As a result of both political and economical, regional and international integration of the region into Europe continued dynamic growth is expected over the medium term, which will accelerate the economic catching-up process of South Eastern Europe with the EU member countries. Recording average growth rates of 5 percent and above, the region is the most promising market on the European continent, provided that political stability is maintained, political problems are resolved, economic reforms proceed rapidly, the legal framework improves further, and legal security increases.

Foreign and multinational companies have begun to appear on the Serbian market as of 2002. According to the official data of National Bank of Serbia, the institution authorized to report on foreign direct investment (FDI), FDI in 2007 amounted to USD 2,195 million.

### Regulatory legislation

The legal framework relevant for foreign investment encompasses the following acts:

- Law on Foreign Investment (enacted in January 2002, amended in January 2003)
- Law on Free Zones (enacted in 1994, amended in 1996 and 2005)
- Law on Foreign Exchange Transactions (enacted in July 2006)
- Law on Foreign Trade Transactions (new law enacted in 2009)
- Customs Law (enacted in 2003, amended in 2005)
- Set of privatization laws:
  - Privatization Law, (enacted in 2001, amended in 2003 and 2005)
  - Law on the Agency for Privatization (enacted in 2001, amended in 2004)
  - Share Fund Law (enacted in 2001, amended in 2005)

- Company Law (enacted in 2004)
- Law on Securities and other Financial Instruments Market (enacted in June 2006)
- Law on Takeover of Joint Stock Companies (enacted in June 2006)
- Law on Registration of Commercial Entities (enacted in 2004, amended in 2005)
- Law on Concessions (enacted in 2003)
- Insurance Law (enacted in 2004, amended in 2005)
- Law on Value Added Tax (enacted in 2004, amended in 2005)
- Bankruptcy Law (enacted in 2004, amended in 2005)
- Law on Games of Chance (enacted in 2004, amended in 2005)
- Energy Law (enacted in 2004)

Guide to doing business and investing in Serbia:

#### Foreign Investment Law

Foreign investments in Serbia are regulated by the Law on Foreign Investment (LFI) passed in 2002. The fundamental aim of the Serbian Government is to create a business-friendly legal, economic and political environment for all foreign individuals and companies interested in doing business in Serbia, by equalizing the rights and responsibilities of domestic and foreign investors, and providing other necessary conditions. A long-term goal is also to create a legal system compatible with European Union legislation as a first step towards future integration. The current LFI regulates foreign investment in enterprises and other forms of establishment engaged in profit generating activities in Serbia. According to the LFI, a foreign investment may be made either by founding a new company or by expending the capital of existing domestic companies through the acquisition of stocks or shares in the initial capital of that company and/or acquiring any other property rights in a company.

#### Definitions

A foreign investor is:

- A foreign entity whose headquarters are located abroad,
- A foreign natural person,
- A national of Serbia who is resident abroad for a period exceeding one year.

A foreign investment is:

- Investment in a domestic company, granting a foreign investor a stake or shares in the initial capital of that company,
- Acquisition of any other property rights in the sense of a realization of a business interest in Serbia.

#### Legal status

A foreign investor is guaranteed national treatment, which means that any legal entity and natural persons who are investing in Serbia enjoy full legal security and protection, equal to those of domestic companies. The Law guarantees legal security to the foreign investor. Consequently, if a change is made to the law under which an agreement was concluded after the investment agreement is registered, the provisions of the agreement, articles of association and the law in force on the date of the registration of that agreement shall apply to the relations regulated by it. It is important to emphasize that a stake held by a foreign investor or a company with a foreign investment cannot be the subject of expropriation, except when so required by the public interest as established and determined by the law. Moreover, in case of expropriation, the foreign investor or the company with foreign investment is entitled to compensation not lower than its market price. The provisions relating to expropriation are new to the Serbian legal system and bring together issues related to foreign investment, with provisions of bilateral contracts on the encouragement and protection of foreign investment.

#### Banking System

The banking system of Serbia consists of the central bank i.e. the NBS, commercial banks and other financial organizations. The founding, organization, business activities and governing of



banks are regulated by the Banking Law and the corresponding bylaws of NBS. Domestic and foreign legal entities and natural persons may be founders of a bank in Serbia, which must be established in the form of a joint stock company. The NBS is authorized to supervise the activities of commercial banks and to issue or revoke operating licences for commercial banks in Serbia. The operating license is issued within 30 days by the NBS following the issue of the preliminary approval (90 days) and filing of the request for issuing of this license. The initial capital of the bank can be contribution in both money and in kind, which must be evaluated by an authorized person. The monetary portion of the share capital of the bank must be a minimum of EUR10,000,000 in RSD counter value. In order to further accelerate the accession of Serbia to EU a new Law on Credit Institutions which will replace the existing Banking Law is to be enacted. The Draft Law shall reintroduce other forms of credit and financial institutions beside commercial banks such as savings banks, housing savings bank and electronic money institution.

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